

SETTLEMENT AGREEMENT

A. PRIOR SETTLEMENTS:

Settlement agreements made prior to November 1, 1986 and prior to the collective settlement stated below:

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1) Bears	\$115,000.00	To be determined with local counsel
(2) Garritys	\$175,000.00	To be determined with local counsel
(3) Petersons	\$175,000.00	To be determined with local counsel
(4) Jefferson	\$150,000.00	To be determined with local counsel
(5) Lockwood	\$150,000.00	To be determined with local counsel
(6) Hartwell	\$150,000.00	To be determined with local counsel
	<u>\$915,000.00</u>	To be determined with local counsel

B. INDEPENDENT SETTLEMENT:

The Christofferson-Titchborne settlement was made separate from the collective settlement. It was agreed to between attorney Gary McMurray, his client, Julie Christofferson-Titchborne and the Church of Scientology.

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
Christofferson- Titchborne	\$100,000.00	To be determined by attorney McMurray and client. None of the attorneys representing other clients in the collective settle- ment represent or have represented Christofferson- Titchborne.

C. COLLECTIVE SETTLEMENT:

The following cases/clients are part of a collective settlement made on December 11, 1986. The undersigned acknowledge that the settlement set forth above in Paragraphs A and B were made as separate settlements, meaning that the cases/clients listed in Paragraphs A and B agreed to the amounts stated therein prior to the collective settlement as in Paragraph A, and independent from the collective settlement as in Paragraph B. The total amount of the collective settlement is \$2,800,000.00. The total amount of the collective settlement and the prior independent settlements in Paragraphs A and B is \$3,815,000.00. The collective settlement allocation is as follows:

<u>Client</u>	<u>Amount</u>	<u>Fee and Expenses</u>
(1) Nancy Dincalci	\$ 7,500.00	None
(2) Kima Douglas	\$ 7,500.00	None

(3) " " " " "

(4) " " " " "

(5) " " " " "

(6) " " " " "

(7) " " " " "

(8) " " " " "

(9) " " " " "

(10) " " " " "

(11) " " " " "

(12) " " " " "

(13) " " " " "

(14) " " " " "

(15) " " " " "

(16) " " " " "

(17) " " " " "

(18) " " " " "

(19) " " " " "

(20) " " " " "

(21) " " " " "

(22) " " " " "

(23) " " " " "

(24) " " " " "

(25) " " " " "

(26) " " " " "

(27) " " " " "

(28) " " " " "

(29) " " " " "

(30) " " " " "

(31) " " " " "

(32) " " " " "

(33) " " " " "

(34) " " " " "

(35) " " " " "

(36) " " " " "

(37) " " " " "

(38) " " " " "

(39) " " " " "

(40) " " " " "

(41) " " " " "

(42) " " " " "

(43) " " " " "

(44) " " " " "

(45) " " " " "

(46) " " " " "

(47) " " " " "

(48) " " " " "

(49) " " " " "

(50) " " " " "

(3)	Robert Dardano	\$ 15,000.00	None
(4)	Warren Friske	\$ 15,000.00	None
(5)	William Franks	\$ 40,000.00	None
(6)	Laurel Sullivan	\$ 40,000.00	None
(7)	Edward Walters	\$100,000.00	To be determined between client and attorneys
(8)	Howard Schomer	\$200,000.00	To be determined between attorney Bunch and client
(9)	Martin Samuels	\$500,000.00	To be determined between attorney McMurray and client
(10)	Gerald Armstrong v. Church of Scientology	\$800,000.00	To be determined between attorney Bunch and client
(11)	Fees and expenses to attorneys Contos & Bunch, Robert Kilbourne, Michael Flynn, and associated counsel for the prosecution and defense of various cases including the "Hubbard documents" case, the "check- frame up" case and the defense of approximately 17 lawsuits against attorney Flynn and his clients.	\$500,000.00	To be determined between attorneys Contos & Bunch, Michael Flynn, Robert Kilbourne, and associated counsel
(12)	Flynn v. Ingram (No. _____) Flynn v. Hubbard (No. _____)	\$575,000.00 -0-	To be determined between attorney Flynn and his counsel
		\$2,800,000.00	

We, the undersigned, agree and acknowledge that

- (1) we have read the foregoing Settlement Agreement;
- (2) that we agree with the total settlement amount and the allocations to the respective cases/clients as set forth therein;
- (3) that we have either consulted, been advised to consult or have had the opportunity to consult with attorneys other than Michael J. Flynn who, we acknowledge is also a claimant against the Church of Scientology and L. Ron Hubbard;
- (4) that we agree to maintain the confidentiality of this Settlement Agreement;
- (5) that we acknowledge that many of the cases/clients involved in this settlement have been in litigation against the Church of Scientology for more than six to seven years, that many have been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the (a) length and degree of harassment; (b) length and degree of involvement in the litigation; (c) the individual nature of each respective claim in connection with either their involvement with the Church of Scientology as a member and/or as a litigant; (d) the unique value of each case/client based on a variety of things including, but not limited to, the current procedural posture of a case, specific facts unique to each case, and financial, emotional or consequential damage in each case; that we agree and

acknowledge that Michael J. Flynn has primarily been responsible for bearing the cost of the litigation over a period of approximately seven years, that he or his firm's members have been required to defend approximately 17 lawsuits and/or civil/criminal contempt actions instituted by the Church of Scientology against him, his associates and clients, that he and his family have been subjected to intense and prolonged harassment, and that his claims against the Church of Scientology and L. Ron Hubbard, and his participation as an attorney have a unique value which is accurately and properly reflected in the allocations set forth herein.

Nancy Pincalci
NANCY PINCALCI

DATE: *Dec 5, 1986*

Kima Douglas
KIMA DOUGLAS

DATE: *Dec 5 - 1986*

Robert Dardano
ROBERT DARDANO

DATE: *Dec - 20 - 1986*

WARREN FRISKE

DATE: _____

Laurel Sullivan
LAUREL SULLIVAN

DATE: *Dec 7 1986*

John Christopher McKeown
John Christopher McKeown

DATE: *Dec 11 1986*

John Christopher McKeown DATE: *Dec 6, 1986*

CAROL GARRITY

DATE: _____

Paul Garrity

DATE: _____

WILLIAM FRANKS

DATE: E.D.K.

Edward Walters

DATE: December 7th 1986

EDWARD WALTERS

Howard Schomer

DATE: 12-5-86

HOWARD SCHOMER

Martin Samuels

DATE: Dec 4, 1986

MARTIN SAMUELS

Gerald Armstrong

DATE: 12-6-86

GERALD ARMSTRONG

DATE: _____

MICHAEL J. FLYNN

CONTOS & BUNCH
A PROFESSIONAL CORPORATION

BY: Bruce M. Bunch
JULIA PRASOENIC

DATE: 12-10-86

Gary Mc Murray

DATE: December 6, 1986

GARY MC MURRAY

DATE: _____

ROBERT KILBOURNE

DATE: _____

Jane Paterson
3:3:17

DATE: _____

Richard Paterson

-6-

DATE: 12/5/86